

EXTENSIONS OF REMARKS

IDEA FUNDING

HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 2003

Ms. HOOLEY of Oregon. Mr. Speaker, today I want to address an issue that is of great concern to my home state of Oregon, and to states around the country.

When Congress enacted the predecessor legislation to the Individuals with Disabilities in Education Act (IDEA) in 1975, we made a commitment to provide children with disabilities access to a quality public education. The assumption was that education for children with disabilities was, on average, twice as costly as education for nondisabled children. As a result, Congress authorized the federal government to pay up to 40 percent (sometimes termed the IDEA "full-funding" amount) of each state's excess cost of educating children with disabilities. Not once in the past 28 years has Congress lived up to its obligation and states have had to shoulder the brunt of this unfunded mandate.

The state and school districts are forced to pick up the additional costs, putting additional strain on our education funding. The FY 2003 appropriation for Part B of IDEA was \$8.9 billion or 17.6 percent of the "excess cost," leaving states and local school districts with an unfunded federal mandate of over \$10 billion. That is \$10 billion that our states and school districts could be spending to alleviate state budget crises, reduce class sizes, build and modernize schools and implement technology into education.

States across the Nation are dealing with an economic crisis, facing large state budget deficits and making deep cuts to services. In my home state of Oregon, the latest round of budget cuts have hit essential services such as education, and Oregon school districts are facing many tough decisions including shutting down early.

Make no mistakes about what this legislation is about: it is about keeping the promise of funding the mandate the federal government has put on the states and relieving the school funding crises that states across the Nation are facing. In Oregon, this legislation would provide about \$100 million that the federal government is obligated to fund for education, each and every year. With state's budget crisis, threats of a shortened school year and significant layoffs, this money is very important.

It is high time we renew our commitment to our Nation's children and pay the federal government's share of the cost of IDEA. That is why Congresswoman Nancy Johnson and I are introducing legislation that would appropriate money to bring the federal government's share of IDEA funding to the full 40 percent by FY 2008 and I urge my colleagues to join me in this effort.

THE PRESIDENT'S STEEL PROGRAM

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 2003

Mr. NEY. Mr. Speaker, for years our jobs have been washing away in a flood of cheap, dumped foreign steel. Until the Bush Administration, these calls for help fell on deaf ears. On March 5, 2002, the President imposed tariff relief for a period of three years. One year later, the proof is irrefutable—the President's steel program is working. It is critical to the continuous success of the President's plan that tariff relief remain in effect for its full term.

U.S. steel companies, such as Wheeling-Pittsburgh Steel Corporation and Weirton Steel Corporation, have made tremendous efforts to remain competitive in the world market. Labor and management have worked together to make brutal decisions. Wages have been cut; the number of workers and managers has been reduced; new efficiencies and technologies have been pursued; bonds have been restructured to reduce interest expense and avoid bankruptcy. Despite these sacrifices and improvements, these steel companies were still suffering from illegally dumped foreign steel.

Since implementation of Section 201 tariff relief, the industry has made significant progress toward restructuring and consolidation, and these efforts will continue. The international talks on overcapacity and subsidies are making real progress. In addition, domestic producers have enjoyed improvements in revenues, operating income, and capacity utilization. A number of companies have returned to profitability, while others have shown significant improvement even though they have not yet become profitable.

There have however been significant surges of imports from certain excluded countries, and, to the extent there is any concern about the program, it is that too many imports could be undermining relief. In fact, imports of flat-rolled steel increased substantially after imposition of Section 201 measures in 2002, as compared to the same period in 2001. Therefore, the Section 201 tariff measures must be fully enforced if our industry is to arrive at a successful conclusion. While recovery will take time, the President's plan has allowed the industry to make a real start.

THE OLD GRANITE LADY

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 2003

Mr. ROTHMAN. Mr. Speaker, I rise today to discuss S. 168, the San Francisco Old Mint Commemorative Coin Act, introduced by Senator FEINSTEIN and Senator BOXER of Cali-

fornia. The proposal would create commemorative coins to help pay for the restoration of the San Francisco Mint known widely as the "Old Granite Lady." I commend Senators FEINSTEIN and BOXER for undertaking this commendable effort.

The San Francisco Mint was in service from 1870 to 1937, survived the San Francisco earthquake of 1906, and was utilized until a few years ago as federal offices. Today, modern building codes require that it be reinforced before it can safely be used in an area that is still prone to earthquakes.

I recently read an article in the February 11, 2003 edition of the Numismatic News, which I ask to be placed in the CONGRESSIONAL RECORD following my remarks, written by Bergen County Freeholder and my hometown Fair Lawn, New Jersey Mayor David L. Ganz, proposing modifications to S. 168 to further stimulate interest on the issuance of this coin. His proposals are worthy of consideration. Specifically, Mayor Ganz proposes to have commemorative coinage re-issued using historic coin designs that were widely used in the 19th century, are associated with the San Francisco Mint, and which would offer to coin collectors the affordable opportunity to receive proof specimens—a means to boost sales, increase the surcharge that will be used to help restore the Mint, and provide an exciting collector's opportunity as well.

For example, coin collectors know the tale of the 1870 three dollar gold piece with the "S" for San Francisco Mint mark on the reverse. The coin is unique and was formerly in the Louis Eliasberg collection. It is valued in the millions. There are other proof or uncirculated three dollar gold pieces that are quoted in Numismedia, a coin pricing guide, that sell for thousands of dollars.

The 20-cent piece also has a long history associated with the San Francisco Mint, including the 1875-S coin produced more than a century ago. An uncirculated example of this coin would cost hundreds of dollars. The same is true for the Liberty head nickel and the Barber dime—where the 1894-S, one of only 24 specimens known, is a six-figure rarity and a regular design is hundreds of dollars in pristine, uncirculated condition.

Mr. Ganz calls for special collector coins not intended for circulation, but bearing original designs of a century ago utilizing a contemporary date. They would be produced in proof, as uncirculated pieces, and offered to collectors with a modest surcharge that could raise \$123 million, if the coins sold out, to help restore the Old Granite Lady.

Mr. Ganz's comments merit consideration for many reasons, not the least of which is that he is a respected numismatist. A former member of the Citizens Commemorative Coin Advisory Committee, he is one of the people credited by former Mint director Philip Diehl as being the source and inspiration for America's state quarters—which have given \$5 billion back to the American taxpayer. I have known Mayor Ganz for many years and believe that his ideas merit consideration, and I hope that

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

they may be incorporated into this meritorious effort to restore the San Francisco Mint.

[From the Numismatic News, Feb. 11, 2003]

SAN FRANCISCO \$3 WOULD SELL BETTER THAN \$5

(By David L. Ganz)

True to her word, Sen. Dianne Feinstein, D-Calif., for herself and Sen. Barbara Boxer, D-Calif., introduced S. 168 on Jan. 15, a bill entitled the "San Francisco Old Mint Commemorative Coin Act," which is a traditional revenue-raising measure containing a silver dollar and a half eagle (\$5) gold piece.

Like many dozens of other bills proposed over the course of the last decade that have been designed to raise funds for a noble purpose, it follows a template that has been approved by the Treasury, the Mint, Congress itself, and even the Citizens Commemorative Coin Advisory Committee.

That means that the coins are legal tender; have moderately low mintages of 100,000 for the gold coins and 500,000 for the silver—sales for which will never be achieved—and surcharges designed to raise in the aggregate \$3.5 million if the gold coins sold out, and another \$5 million if the silver dollar version hit it big, for a possible total of \$8.5 million.

Unfortunately, it will do neither and will most likely have disappointing sales in the 25,000-50,000 coin range for gold and in the 100,000-250,000 range for the silver dollar, from which the Mint will take expenses, leaving the San Francisco Museum and Historical Society a giant goose egg to help pay for the restoration of the Old Granite Lady.

Mint accounting is not for knaves. Neither is it in accordance with what most would refer to as generally accepted accounting principles. The result is that an exorbitant amount of overhead is charged against commemorative coin production—it's a legitimate way to look at it, but on a per-coin basis adds absurd amounts to cost that would otherwise never be tolerated for purposes of analysis or compensation.

One need only look at several recent commemorative results and fork-overs to see just how difficult the present system is. That's problematical where, as here, the goal is to raise funds to help restore the San Francisco Mint to the grandeur of yesterday, when it was the proudest building in the old financial district of the downtown.

Just by simple example, on the population Buffalo nickel silver dollar commemorative for the Smithsonian, budget documents submitted show an initial \$3 million loss. Congress authorized 500,000 of those coins—and they sold out in two weeks—yet in the budget scoring of Jan. 25, 2001 (before sales began), the outflow was \$3 million down. (There would eventually be \$13.9 million in gross sales registered in the fourth quarter of 2001.)

The San Francisco "S" mintmark has had a special allure for more than 130 years. To those who were collecting coins earlier than 1955, when production was suspended, the "S" mintmarked coins traditionally had lower and hence scarcer mintages—and higher values.

The Old Granite Lady, which functioned from 1870 to 1937—and made it through the San Francisco earthquake of 1906 virtually unscathed—has a long history involving coinage, which the legislation that Sen. Feinstein introduced recites at least in part.

"The San Francisco Old Mint is famous for many rare, legendary issues, such as the 1870-S \$3 coin, which is valued today at well over \$1 million," the precatory portion of the bill begins—and then goes nowhere else.

Commemorative coinage should serve a purpose, none of which is essentially important for funding, all of which is integral to

the integrity of the coinage process, the history of American money and telling the story of American numismatics in its larger sense.

There's nothing magical about the template that is being utilized right now to create commemorative coinage. In an earlier time in its 180s, a different model was utilized—and I participated quite actively in seeing to it that that model was not only broken, but for purpose. Significantly, I suggested it should be done again.

In 1982, modern commemorative coin issues began anew with the introduction of a silver commemorative for the 250th anniversary of George Washington's birth. There was no surcharge; there was no beneficiary. The coin was produced, it was sold and there as great success: 2.2 million uncirculated pieces were manufactured and 4.8 million proofs.

The Olympic program came and went, but in 1984-1985, the Statue of Liberty centennial commission had its chance, and I had the opportunity to consult with them. Lee Iacocca, that colorful personality who was then the chairman of Chrysler corporation headed the commission. Dr. Stephen Brigandi was the executive director.

The mold in those days was a dollar coin or two, plus a gold piece. The Olympics used a \$10 gold piece to disastrous results, in part because it contained nearly a half ounce of gold (resulting in too high an issue price) and also because when enough coins weren't sold, the Mint produced more, adding mintmarks as the distinguishing factor.

Two suggestions came from me: first, change the denomination of the gold coin to a \$5 gold piece—to lower the price substantially—and second, introduce a copper-nickel half dollar that could be produced as a circulating commemorative coin with an uncirculated and proof counterpart sold at a very modest mark-up to collectors.

They didn't buy into the circulating commemorative concept—it took a dozen more years before the state quarter program that I similarly proposed became reality—but whether to go with a copper nickel low-value, low-cost coin came down to a question of how many might be sold, and what the proceeds would be from the surcharge. After all, the Statue of Liberty needed to be refurbished for its centennial.

I made a bet with Brigandi—\$100 as I recall it, though that's a lot for a guy who usually bets a cent or a nickel—and I predicted that such a coin would sell into the millions and be a true partner and participant in a three-coin program.

Ultimately, it became the most successful non-circulating legal tender coin in history, with more than 900,000 struck in uncirculated and over 6.9 million as proofs. No other coin, before or since, has come close.

Here's why: it was a different coin, different denomination, unusual, modest in price and distinctive. Collectors were encouraged to buy into a concept that played right into what they do: collect.

Those of us who are even casual about our hobby know that we collect after a particular fashion. Some will try to obtain all silver dollars, others all issues. Still others go for a type set. But when it comes to new and unusual or even different, it affords a rare opportunity, which is something that I think S. 168 simply misses.

It's not too late to change it; the bill has merely been introduced and is months away from action in the Senate, no less the House of Representatives.

Here's what I would do to change the focus of the bill, and to simultaneously increase its chance for economic and commercial success—and at the same time, offer a boost to several different areas of the hobby.

Capitalize on the history of the Mint and the coins that have come from it.

One obvious way of doing that is to create a new \$3 gold piece—a play on the 1870-S that is unique (formerly in the Eliasberg collection)—which was produced in the very year that the Old Granite Lady opened for business.

To buy any \$3 gold piece today, be prepared to plunk down thousands of dollars for an uncirculated specimen, and multiples of that for a proof. For the Mint to begin a new commemorative series—or even a single one-year San Francisco Mint coin in that denomination—would be a boost to the secondary market, a promotion for \$3 gold pieces of other dates and denominations, and produce the possibility of a sellout success at levels far above 100,000 pieces.

Where a half eagle or \$5 gold piece contains .2420 troy ounces of gold, the \$3 gold pieces of regulation weight is .1452 troy ounces. At \$360 an ounce (more or less current prices), the hard cost changes from \$87 in gold to \$52.27.

Lower the gold content, lower the price. The surcharge doesn't have to change. What does change is the number of people making a purchase. That should go way up—just as it did for the Statue of Liberty half dollar. Net result: more surcharge for the Old Granite Lady's restoration.

On the same basis, I'd probably think about adding a minor coin—such as the nickel—or a subsidiary coin such as the dime to the mix. There's a long history there, too, for each. The first "S" mint on a nickel was 1912. The "S" dime could be the 1894-S Barber design—a powerbroker concept. But what is key is that it is different, unusual and likely to have high sales—even with a surcharge—if the price is simply not made obscene.

A third (or fourth) choice: a 20-cent piece (the 1875-S was struck there, of course)—and for all of the same reasoning. Add these and watch orders and dollars come flying in. Prediction if authorities follow my suggestions: a sellout.

Here's how to do it: substitute language for the existing bill in the Senate, or introduce a new one in the House, and go to town for the benefit of the Old Granite Lady—and give the San Francisco Mint a new historic life on the centennial of its survival of the San Francisco earthquake of 1906.

108th Congress, 1st Session

H.R. _____

To require the Secretary of the Treasury to mint coins in commemoration of the Old Granite Lady (the old Mint at San Francisco)

In the House of Representatives of the United States, _____, 2003, Mr. _____ introduced the following bill; which was read twice and referred to the Committee on Financial Affairs.

A bill to require the Secretary of the Treasury to mint coins in commemoration of the Old Granite Lady (the old Mint at San Francisco).

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Old Mint at San Francisco Commemorative Coin Act."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Old Granite Lady played an important role in the history of the Nation;

(2) the San Francisco Old Mint was established to convert miners' gold from the California Gold Rush into coins;

(3) the San Francisco Old Mint Building was designed by architect A.B. Mullett, who also designed the United States Treasury Building and the Old Executive Office Building;

(4) the solid construction of the Old Granite Lady enabled it to survive the 1906 San Francisco earthquake and fire, making it the only financial institution that was able to operate immediately after the earthquake and the treasury for disaster relief funds for the city of San Francisco;

(5) coins struck at the San Francisco Old Mint are distinguished by the "S" mintmark;

(6) the San Francisco Old Mint is famous for many rare, legendary issues, such as the 1870-S \$3 coin, which is valued today at well over \$1 million; and

(7) the San Francisco Old Mint Commemorative Coin will be the first commemorative coin to honor a mint.

SEC. 3. COIN SPECIFICATIONS.

(a) DENOMINATIONS.—In commemoration of the San Francisco Old Mint, the Secretary of the Treasury (in this Act referred to as the "Secretary") shall mint and issue the following coins:

(1) \$3 gold coins—Not more than 500,000 \$3 coins, each of which shall—

(A) weigh 5.015 grams;

(B) have a diameter of 20.5 mm; and

(C) contain 90 percent gold and 10 percent alloy.

(2) 20 cent piece—Not more than 3,500,000 twenty-cent pieces, each of which shall—

(A) weigh 5 grams;

(B) have a diameter of 22mm; and

(C) contain 90 percent silver and 10 percent alloy.

(3) 10 cent piece—Not more than 5,000,000 ten-cent pieces, each of which shall—

(A) weigh 2.5 grams;

(B) have a diameter of 17.9mm; and

(C) contain 90 percent silver and 10 percent alloy.

(4) 5 cent piece—Not more than 7,500,000 five-cent pieces, each of which shall—

(A) weigh 5 grams;

(B) have a diameter of 21.2mm; and

(C) contain .750 copper and .250 nickel alloy

(b) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—All coins minted under this Act shall be considered to be numismatic items for purposes of section 5134 of title 31, United States Code.

SEC. 4. SOURCES OF BULLION.

The Secretary may obtain gold and silver for mining coins under this Act from any available source.

SEC. 5. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—(a) The reverse design of the coins minted under this Act shall be emblematic of the San Francisco Old Mint Building, its importance to California and the history of the United States, and its role in rebuilding San Francisco after the 1906 earthquake and fire.

(B) The obverse designs shall be as follows:

(1) on the \$3 gold piece, the "Princess" design utilized by the Mint in 1870; (2) on the 20 cent piece, the "Princess" design utilized by the Mint in 1870; (2) on the 20 cent piece, the Liberty Seated design in use by the Mint in 1875; (3) on the dime, the Barber head design utilized in 1894, and (4) on the nickel, the Barber head (Liberty head) design utilized in 1912.

Notwithstanding the foregoing, the Secretary may decide to use the same designs, obverse and reverse, as the specified designs, with an "S" mint-mark, as were heretofore utilized on the \$3 gold piece, 20-, 10-, and 5-cent coins during the time period specified.

(2) DESIGNATION AND INSCRIPTIONS.—Each coin minted under this Act shall contain—

(A) a designation of the value of the coin;

(B) an inscription of the year "2006," and

(C) inscription of the words—

(i) "Liberty;"

(ii) "In God We Trust,"

(iii) "United States of America;" and

(iv) "E Pluribus Unum."

(b) SELECTION.—THE DESIGN FOR THE COINS MINTED UNDER THIS ACT SHALL BE—

(1) selected by the Secretary, after consultation with the Commission of Fine Arts and the Board of the San Francisco Museum and Historical Society;

(2) reviewed by the Citizens Commemorative Coin Advisory Committee; and

(3) reviewed by the Board of the San Francisco Museum and Historical Society.

SEC. 6. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) PERIOD FOR ISSUANCE.—The Secretary may issue coins minted under this Act only during the period beginning on January 1, 2006, and ending on December 31, 2006

(c) MINT FACILITY.—The coins authorized under this Section shall be struck at the San Francisco Mint to the greatest extent possible and shall all bear the "S" mintmark regardless of the mint of manufacture.

SEC. 7. SALE OF COINS.

(a) SALE PRICE.—The coins issued under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) a surcharge in an amount equal to—

(A) \$35 per coin for the \$3 coin; and

(B) \$9.80 per coin for the 20-cent coin; and

(C) \$9.90 for the 10-cent coin

(D) \$2.95 for each 5-cent coin.

(3) the per capita cost of designing and issuing the coins (including labor materials, dies use of machinery, over-head expenses, marketing, and shipping) for the gold coin, and the face value and surcharge for the 20-cent piece, 10-cent and 5-cent coin.

(b) BULK SALES.—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

(c) PREPAID ORDERS.—

(1) IN GENERAL.—THE SECRETARY SHALL ACCEPT PREPAID ORDERS FOR THE COINS MINTED UNDER THIS ACT BEFORE THE ISSUANCE OF SUCH COINS.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

SEC. 8. DISTRIBUTION OF SURCHARGES.

(a) IN GENERAL.—Subject to Section 5134(f) of title 31, United States Code, all proceeds received by the Secretary from any surcharge imposed on the sale of coins issued under this Act shall be paid by the Secretary to the San Francisco Museum and Historical Society.

(b) AUDITS.—As a condition of receiving payments under subsection (a), the San Francisco Museum, and Historical Society shall be subject to the audit requirements of Section 5134(f)(2) of title 31, United States Code.

TRIBUTE TO ANDREW ESPINOZA

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 2003

Mr. McINNIS. Mr. Speaker, it is with great pride that I rise today to honor the life of Andrew "Gato" Espinoza of San Luis, Colorado. Mr. Espinoza tragically died in a house fire after heroically rescuing his fifteen year-old son, Daniel. At this unique time in history, we have all become more aware of the heroes

among us; people like Andrew Espinoza who display uncommon courage in the face of great danger.

Andrew's heroic act is a reflection of the selfless nature he has demonstrated throughout his life serving others. The fire, which started early in the morning, awoke Andrew who then quickly roused his son and sent him to safety. However, he was unable to escape the fire himself. Andrew displayed the true courageous acts of a hero, and as a father, when he gave his life in order to insure his son's survival.

In the community, he was dedicated to preserving the heritage and natural way of living in San Luis. He played an instrumental role in the struggle over the rights of locals to use the Mountain Tract. He helped to free the land for public use.

Andrew also was a loving father of two daughters and a son. According to his daughter, Andrea of Tierra Amarilla, NM, "He wanted to pass his love of the land on from generation to generation; it was his gift to us." Andrew's love of his children, and for life, was demonstrated in everything he did.

Mr. Speaker, it is with great respect that I stand today and pay tribute to the life of Andrew "Gato" Espinoza before this body of Congress and this great nation. Through his sacrifice and courage, Andrew displayed true heroism. His life will be remembered and missed by his many friends, family and colleagues.

TRIBUTE TO SEAN A. WOOD

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 2003

Mr. GRAVES. Mr. Speaker, I proudly pause to recognize Sean A. Wood, a very special young man who has exemplified the finest qualities of citizenship and leadership by taking an active part in the Boy Scouts of America, Troop 67, and in earning the most prestigious Award of Eagle Scout.

Sean has been very active with his troop, participating in such scout activities as Camp Geiger. Over the five years he has been involved in scouting, he has held numerous leadership positions, serving as Assistant Senior Patrol Leader, Patrol Leader, Assistant Patrol Leader, Troop Guide, and Den Chief. Sean also has been honored for his numerous scouting achievements with such awards as Warrior in the Tribe of Mic-O-Say, Brave in the Tribe of Mic-O-Say and Fire Builder in the Tribe of Mic-O-Say. Additionally, Sean has earned 31 Merit Badges.

For his Eagle Scout project, Sean removed an existing concrete sidewalk outside of the Gallatin Fire Station and replaced it with a concrete ramp, two handicap parking spaces, a steel ramp for the railing, a new door and two handicapped signs.

Mr. Speaker, I proudly ask you to join me in commending Sean A. Wood for his accomplishments with the Boy Scouts of America and for his efforts put forth in achieving the highest distinction of Eagle Scout.